

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0121

In Re:

Prosper Marketplace, Inc.

Consent Order
11-7825

This is an order of the Securities Administrator pursuant to 32 M.R.S. §16604 of the Maine Uniform Securities Act (the "Act"). Prosper Marketplace, Inc. ("Prosper") agrees to the entry of this Consent Order, agrees that it shall have the same effect as an order issued after hearing, and waives its right to a hearing and to judicial review. Prosper further agrees that it shall be precluded from disputing the Findings of Fact and Conclusion of Law as set forth herein in any other adjudicatory proceeding in the State of Maine.

FINDINGS OF FACT

1. As a result of a multistate investigation, Prosper entered into an Administrative Consent Order with the State of Maine Office of Securities ("Office") in June of 2009. The Administrator found Prosper had sold unregistered securities in Maine in violation of the Act. Although Prosper consented to the entry of the order, it neither admitted nor denied the findings.
2. The order required that Prosper Cease and Desist from offering and/or selling securities to persons in or from the State of Maine in violation of the Act.
3. On July 9, 2009, the Office approved Prosper's securities registration application for the sale of \$500,000,000 in borrower dependent notes ("notes").
4. On August 9, 2010, the Office received a renewal filing from Prosper stating that it wished to extend the company's initial registration, which had expired on July 9, 2010.
5. On September 14, 2010, the Office approved Prosper's renewal filing retroactive to July 9, 2010.

6. On November 11, 2011, the Office received another renewal filing from Prosper stating that it inadvertently allowed the September 14, 2010, filing to expire and it would again like to register the notes.
7. Concerned with Prosper's ongoing lapses in registration, the Office sought and received an affidavit from Prosper on November 15, 2011, stating the company would cease its sales of securities in Maine until the issue could be resolved.
8. Between September 14, 2011, and November 15, 2011, Prosper sold 708 notes to 48 Maine residents for a total aggregate value of \$72,146. The notes Prosper sold were not registered with the Office, were not exempt from registration, and were not federally covered securities.

CONCLUSIONS OF LAW

1. Pursuant to §16305(8) of the Act, a registration statement is effective for one year after its effective date.
2. Prosper failed to timely renew the "notes" prior to the expiration on September 14, 2011.
3. Prosper violated §16301 of the Act by selling 708 unregistered securities in the form of notes between September 14, 2011, and November 15, 2011.
4. Prosper's sale of these unregistered notes also violated the terms of the Administrative Consent Order it entered into with the Office in June 2009.
5. Discipline here is in the public interest because it will protect Maine investors by deterring future misconduct by Prosper and others and will foster public confidence in the securities industry.

ORDER

1. Prosper shall comply with all registration and other legal requirements governing persons selling securities in the State of Maine at all times from the date hereof;
2. Prosper will pay a civil fine in the sum of \$5,000 to the Office payable upon execution of this Agreement, pursuant to §16604 of the Act.

Except as set forth above, the Securities Administrator agrees to take no action adverse to Prosper solely on the same conduct addressed in this Consent Order. However, nothing in this Consent Order shall preclude the Securities Administrator from: (a) taking adverse action based at least in part on other conduct; (b) taking this Consent Order and the conduct described above into account in determining the proper resolution of action based on other conduct; or (c) taking any and all available steps to enforce this Consent Order.

Nothing in this Consent Order affects any private right of action available to Maine investors that purchased the notes Prosper sold between September 14, 2011 and November 15, 2011, including any offer of rescission.

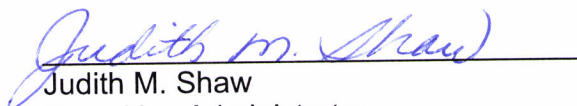
Prosper, by signing below, agrees to the entry of this Consent Order, agrees that it shall have the same effect as an order issued after hearing, waives its right to a hearing and to judicial review, and agrees that it shall be precluded from disputing the Findings of Fact and Conclusion of Law as set forth herein in any other adjudicatory proceeding in the State of Maine.

Date: 12/9/11



Sachin Adarkar
General Counsel
Prosper Marketplace, Inc.

Date: December 9, 2011



Judith M. Shaw
Securities Administrator